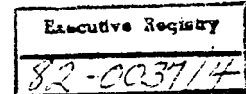


ER 11 MAR
DDI- 2185-82

UNITED STATES DEPARTMENT OF COMMERCE
The Under Secretary for International Trade
Washington, D.C. 20230



MAR 15 1982

The Honorable William Casey
Director, Central Intelligence Agency
Washington, D.C.

Dear Bill:

The CIA's assistance in working toward the COCOM High-level Meeting (HLM) helped to make it a success in providing the political guidance and direction needed to alter the course of the multilateral controls system. Now your help is vital to us once again as we review the Militarily Critical Technologies List (MCTL) prepared by the Department of Defense.

As you know, one result of the HLM was that member countries agreed on the need to determine "critical" equipment and technologies and to decontrol non-sensitive end-products. The Department of Defense has recently submitted the MCTL to us for a foreign availability assessment and incorporation into the Commodity Control List.

In order to convince our business community and our COCOM partners to cooperate in restraining technology flow to the Eastern Bloc we need to make a strong case that to do otherwise poses a serious threat to our mutual security.

I would like to anticipate the arguments which may be raised by those who oppose controls or who will be skeptical as to their utility. In particular, we need assessments of: (1) the extent to which foreign availability would offset COCOM controls, and, (2) the advantage derived from the transfer of critical technology relative to the state of technology present in COCOM countries.

The Agency has the expertise to evaluate these issues. I would recommend that the Agency, perhaps headed by the newly formed Technology Transfer Assessment Center, review the MCTL in terms of these two questions I have identified. I believe that only the intelligence community has the resources and information to do a thorough analysis in this area.

Sincerely,


Lionel H. Olmer